

# STATE SCHOOL AID UPDATE

## Michigan Department of Education



July 2008  
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**NOTE:** On Thursday, July 17, 2008, as this UPDATE was being finalized, the K-12 Conference Committee adopted the Conference Report of the FY 2009 state school aid budget. The budget was then approved by the full Senate. The House is expected to vote on it when they are back in session the week of July 21, 2008. The budget calls for per-pupil foundation grant increases from \$56 to \$112, with the minimum foundation grant going from the FY 2008 level of \$7,204 to an FY 2009 level of \$7,316. More information on this item will be in the August UPDATE. For more information now go to:  
[http://www.senate.michigan.gov/sfa/Departments/DPK12\\_web.html](http://www.senate.michigan.gov/sfa/Departments/DPK12_web.html).

### **JULY PAYMENT INFORMATION**

The July state school aid payment is the 10<sup>th</sup> payment of the year and reflects a cumulative 90.90% of the year's allocations for Sections 22a, 51c, and 22b as well as for most categoricals. Prior year adjustments are made at 100% in a single payment.

**Taxable Value** – The July payment was calculated using the most recent taxable value data reported to the Department by county treasurers via the web based taxable valuation collection process. These data can be viewed by school district personnel on the Department's website. The URL is <http://mdoe.state.mi.us/TaxableValue>. To view your data click on "Public Access," and then choose your district code and the applicable tax year from the drop down menu. Any revisions to taxable values received prior to July 1, 2008 were incorporated into the payment calculation.

**Pupil Membership** – The audited February 2007 and September 2007 pupil counts submitted via the SRSD system have been used in the calculation of the July payment. For PSAs in their first or second year of operation, the February 2008 count data submitted via the SRSD are averaged with the audited September 2007 count.

**Updated Categoricals** - The following categoricals were updated in the July payment although the updates may not have affected the allocation amounts for all districts. If the allocation amount for your district has changed and you have questions concerning that change, contact the consultants identified below:

- ECIC Collaborative Grants - Section 32b (Gary Schafer, Early Childhood Education and Family Services, (517) 335-2875, [SchaferG@Michigan.gov](mailto:SchaferG@Michigan.gov))
- Bilingual Education – Section 41 (Linda Forward, School Improvement, (517) 373-8480, [ForwardL@Michigan.gov](mailto:ForwardL@Michigan.gov))
- Great Start ISD Grants – Section 32j (Renee DeMars-Johnson, Early Childhood Education and Family Services, (517) 373-3350, [Demars-johnsonR@Michigan.gov](mailto:Demars-johnsonR@Michigan.gov))
- Advanced and Accelerated Learning Grants – Section 57 (Sam Sinicropi, School Improvement, (517) 241-1162)
- Michigan School Readiness – Section 32d (Connie Robinson, Early Childhood Education and Family Services, (517) 241-4291, [RobinsonC1@Michigan.gov](mailto:RobinsonC1@Michigan.gov))

### **SID AND REP REPORTING**

Section 19(5) of the State School Aid Act requires local districts, intermediate districts and public school academies to submit their Registry of Educational Personnel (REP) data to the Center for Educational Performance and Information (CEPI) by June 30 each year. Section 19(6) of the State School Aid Act requires local districts, intermediate districts and public school academies to submit their School Infrastructure Database (SID) information to CEPI by June 30. Section 19(7) of the State School Aid Act requires the Department to withhold 5% of the total funds for which the local district, intermediate district or public school academy qualifies under the act for non-compliance with either of these reporting requirements. All districts complied with the REP reporting requirement. State aid funds are being withheld from a total of 23 entities that did not comply with the SID reporting requirement. The withheld amount will appear on the State Aid Financial Status Report as a negative under the section labeled "Current Year Allowances" on a line labeled "SID Deduct." CEPI will reopen the SID database on July 21, 2008, to allow inputting of the data through July 25, 2008. The withheld funds will be released in the next school aid payment following compliance. Questions regarding the submission of the SID data should be directed to the DIT Client Service Center via e-mail at [help-Desk@Michigan.gov](mailto:help-Desk@Michigan.gov) or phone at (517) 335-0505.

### **POSTING OF BUDGETS TO A WEBSITE**

Language in Section 18(2) of the State School Aid Act requires local districts, intermediate districts and public school academies to post their annual operating budget and subsequent amendments on their website

within 30 days of being adopted by the board. The budget postings should include the General Appropriation Resolution for all funds for which the board adopts a budget. For further information regarding this requirement and the format of the budget, please see Section IV, page 7 of the Public School Accounting Manual. Questions related to the budget should be directed to Glenda Rader, Office of State Aid and School Finance, at (517) 335-0524 or by e-mail at [RaderG@Michigan.gov](mailto:RaderG@Michigan.gov).

#### **FINANCIAL INFORMATION DATABASE (FID) REPORTING**

Section 18(4) of the State School Aid Act, which was amended by P.A. 137 of 2007 (the FY 2008 state school aid amendments enacted on November 8, 2007) requires districts to report Financial Information Database (FID) data to the third position of the object code for all employee benefits recorded in object codes 2110 – 2190. In prior years the data has only been edited to the second position of the object code. Questions related to the FID should be directed to Glenda Rader, Office of State Aid and School Finance, at (517) 335-0524 or by e-mail at [RaderG@Michigan.gov](mailto:RaderG@Michigan.gov).

#### **SECTION 31A AT-RISK PROGRAM REPORTS**

Local districts and public school academies receiving FY 2008 funds under Section 31a At-Risk were required to submit the FY 2008 Section 31a Program Report to the Department by July 15, 2008. If the report was not submitted by July 15<sup>th</sup>, an amount equal to the district's Section 31a August installment will be withheld from the August state aid payment. These funds will be forfeited if the report is not received by September 30, 2008. The report form is available in the Michigan Electronic Grants System (MEGS) at <http://megs.mde.state.mi.us/megs/>. Contact Judy Thelen, Office of School Improvement, Field Services Unit, at (517) 335-1266 or e-mail: [ThelenJA@Michigan.gov](mailto:ThelenJA@Michigan.gov).

#### **INDIRECT COST RATES**

Adjustment to local and intermediate school district Indirect Cost Rates were due to the Department by June 1, 2008. The process of recalculating rates is complete and final rates are available on the Department's website at [http://www.michigan.gov/mde/0,1607,7-140-6530\\_6605-118785--,00.html](http://www.michigan.gov/mde/0,1607,7-140-6530_6605-118785--,00.html). Questions related to the indirect cost rate calculations should be directed to Phil Boone, Office of State Aid and School Finance, at (517) 335-4059 or by e-mail at [BooneP2@Michigan.gov](mailto:BooneP2@Michigan.gov).

#### **FISCAL YEAR 2008 RENAISSANCE ZONE ALLOWANCES UPDATED**

The FY 2008 Section 26a Renaissance Zone allowances that appear on the July 2008 State School Aid Financial Status Reports have been updated by the Treasury Department based on the latest taxable valuations and millages. Treasury has advised that additional adjustments to the Renaissance Zone allowances will be made in the August payment due to late-arriving taxable valuation changes from a few assessors. Questions related to the Renaissance Zone allowances should be directed to Howard Heideman, Treasury, Office of Revenue and Tax Analysis, at (517) 373-9002 or by e-mail at [HeidemanH@Michigan.gov](mailto:HeidemanH@Michigan.gov).

#### **TAXABLE VALUE SYSTEM CHANGES**

The online taxable valuation collection system has been made available for county treasurers to input tax year 2008 values to be used when calculating FY 2009 State School Aid. These values are due by September 1, 2008. The URL is <http://mdoe.state.mi.us/TaxableValue>. To view your data click on "Public Access," and then choose your district code and the applicable tax year from the drop down menu. The values are displayed in a new format, in order to accommodate the Michigan Business Tax personal property exemptions. More details will be forthcoming in future UPDATES. Questions should be directed to Phil Boone, Office of State Aid and School Finance, at (517) 335-4059 or by e-mail at [BooneP2@Michigan.gov](mailto:BooneP2@Michigan.gov).

#### **GENERAL INFORMATION**

- Reminder regarding form **DS-4168**, Report of Days and Clock Hours: Districts should forward this form for the school year 2007-2008 to their respective ISD by July 18, 2008. The ISD is to forward a copy to the Department by August 1.
- **Proration factors:** Section 31a – At Risk funding per pupil proration is \$241.556207094. Section 29 - Declining Enrollment proration is .0819879689. Section 56 – ISD Special Ed Millage Equalization proration is .9855576015.
- The Supplemental count (February 2008) ISD audited FTE values are due to the Center for Educational Performance and Information by July 30, 2008.
- July 23, 2008 is the fourth Adult Education participant count date for the school year 2007-2008. These counts should be reported to CEPI with the audited Supplemental count FTE data that are due July 30, 2008 (see item above).

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Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or **Dan Hanrahan, Director, State Aid and School Finance, MDE** <http://detnews.com/apps/pbcs.dll/article?AID=/20080718/BIZ/807180407>, phone: (517) 335-0521, fax: (517) 241-0196, e-mail: [HanrahanD@Michigan.gov](mailto:HanrahanD@Michigan.gov)